

CITY OF LAREDO

CITY COUNCIL MEETING

A-2004-SC-01

CITY COUNCIL CHAMBERS

1110 HOUSTON STREET

LAREDO, TEXAS 78040

MARCH 8, 2004

12:15 p.m.



DISABILITY ACCESS STATEMENT



Persons with disabilities who plan to attend this meeting and who may need auxiliary aid or services are requested to contact Gustavo Guevara, City Secretary at (956) 791-7308 at least two working days prior to the meeting so that appropriate arrangements can be made. The accessible entrance and accessible parking spaces are located at City Hall, 1100 Victoria Ave.

Out of consideration for all attendees of the City Council meetings, please turn off all cellular phones and pagers, or place on inaudible signal. Thank you for your consideration.

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. ROLL CALL
- IV. FINAL READING OF ORDINANCES

1.

2004-O-052 An ordinance of the City of Laredo, Texas, finding after reasonable notice and hearing, that AEP Texas Central Company's electric transmission and distribution rates and charges within the city should be changed; determining just and reasonable rates; adjusting street lighting charges; adopting recommendations of consultants; providing recovery of rate case expenses; preserving regulatory rights of the city; and providing for repeal of conflicting ordinance.

2004-O-053 Approving an amendment to Ordinance No. 2003-O-247 dated October 6, 2003, hereby deleting the public sale of Tract B to Dr. Ricardo G. Cigarroa, L.P.; providing for an effective date.

V. MOTION


2. Authorizing the award of a contract in the amount of \$190,300.00 to Wilbur Smith Associates for the development of the Laredo Metropolitan Transportation Plan Update. Funding for the project is available through the Metropolitan Planning Organization (MPO) account using Federal Planning Grant (PL112) funds.

VI. EXECUTIVE SESSION

The City Council hereby reserves the right to go into executive session at any time during this public meeting, if such is requested by the City Attorney or other legal counsel for the City, pursuant to his or her duty under Section 551.071(2) of the Government Code, to consult privately with his or her client on an item on the agenda, or on a matter arising out of such item.

VII. ADJOURNMENT

This notice was posted at the Municipal Government Offices, 1110 Houston Street, Laredo, Texas, at a place convenient and readily accessible to the public at all times. Said notice was posted on Friday, March 5, 2004, at 11:00 a.m.


Gustavo Guevara, Jr.
City Secretary

COUNCIL COMMUNICATION

DATE: 03/08/2004	SUBJECT: FINAL READING ORDINACE 2004-0-052 An Ordinance of the City of Laredo, Texas finding, after reasonable notice and hearing, that AEP Texas Central Company's electric transmission and distribution rates and charges within the City should be changed; determining just and reasonable rates; adjusting street lighting charges; adopting recommendations of consultants; providing for recovery of rate case expenses; preserving regulatory rights of the City; and providing for repeal of conflicting ordinance.	
INITIATED BY: Larry Dovalina, City Manager		STAFF SOURCE: Rosario C. Cabello, Finance Director
PREVIOUS COUNCIL ACTION: Public Hearing and Introduction of Ordinance held on March 1, 2004		
BACKGROUND: On or about November 3, 2003 AEP Texas Central Company (TCC) filed an application seeking to increase electric transmission and distribution rates by 14.7% on a system-wide basis. The City has determined that the electric transmission and distribution rates charged by the Company within the City should be reduced pursuant to the recommendations of its consultants by 21% on a system-wide basis in addition to them reducing street lighting and non-roadway lighting by 21%. In addition, TCC has failed to achieve the minimally accepted service reliability standards established by the Public Utility Commission and has failed to properly allocate sufficient resources to distribution maintenance. We are requesting that TCC refund, on a system-wide basis, \$2,754,380 to customers located on feeders failing to meet Commission reliability standards for the years 2001 and 2002. Approximately 86 STAP (South Texas Aggregation Project) Cities are participating in the rate case. The hearings on the rate case will begin in Austin in March 1, 2004 and a Commission decision is expected in mid-June.		
FINANCIAL: An increase of 14.7% to all rate payers of the City of Laredo if the Commission approves AEP's request.		
RECOMMENDATION: Staff recommends for City Council to approve final reading.		

ORDINANCE 2004-O-052

AN ORDINANCE OF THE CITY OF LAREDO, TEXAS FINDING, AFTER REASONABLE NOTICE AND HEARING, THAT AEP TEXAS CENTRAL COMPANY'S ELECTRIC TRANSMISSION AND DISTRIBUTION RATES AND CHARGES WITHIN THE CITY SHOULD BE CHANGED; DETERMINING JUST AND REASONABLE RATES; ADJUSTING STREET LIGHTING CHARGES; PROVIDING FOR RECOVERY OF RATE CASE EXPENSES; PRESERVING REGULATORY RIGHTS OF THE CITY; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCE.

WHEREAS, pursuant to § 33.001 of the Public Utility Regulatory Act, the City of Laredo has exclusive, original jurisdiction over the electric rates, operations, and services provided within city limits;

WHEREAS, on or about November 3, 2003, AEP Texas Central Company ("TCC" or "Company") filed with the City of Laredo an application seeking to increase electric transmission and distribution rates by 14.7% on a system-wide basis;

WHEREAS, the Company proposed an effective date of December 8, 2003 that was suspended by resolution to provide time to study the reasonableness of the application;

WHEREAS, on December 19, 2003, TCC extended the effective date by two weeks;

WHEREAS, the City of Laredo, in a reasonably noticed public hearing considered the Company's application and a recommendation from the City's consultants who were retained to evaluate the merits of the Company's application;

WHEREAS, the City has determined that the electric transmission and distribution rates charged by the Company within the City should be reduced pursuant to the recommendations of its consultants;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAREDO THAT:

SECTION 1: That the existing rates and charges of AEP Texas Central Company are hereby found, after reasonable notice and hearing, to be unreasonable and shall be changed as hereinafter ordered. The changed rates resulting from this Ordinance are hereby determined to be just and reasonable rates to be observed and in force within the City.

SECTION 2: The Company shall reduce its electric transmission and distribution rates charged to customers located within City limits by 21% on a system-wide basis. The rate decrease shall be allocated to all customer classes uniformly on an equal percentage basis.

SECTION 3: The Company shall lower the facilities charge for both street lighting and non-roadway lighting by 21%.

SECTION 4: The electric rates charged within City limits shall reflect a 9% return on equity and a capital structure comprised of 60% debt and 40% equity in order to reflect the historic low cost of capital and to prevent financial subsidization of TCC's parent company.

SECTION 5: The electric rates changed within City limits shall reflect a total plant depreciation rate of 2.93%, a reduction to the Company's proposed rate of 3.22%.

SECTION 6: TCC has failed to achieve the minimally accepted service reliability standards established by the Public Utility Commission and has failed to properly allocate sufficient resources to distribution maintenance. TCC shall refund, on a system-wide basis, \$2,754,380 to customers located on feeders failing to meet Commission reliability standards for the years 2001 and 2002.

SECTION 7: TCC has incorrectly interpreted the Integrated Stipulation and Agreement ("ISA") approved by the Public Utility Commission in Docket No. 19265. As a result, the electric rates hereby approved within City limits shall incorporate a \$30 million system-wide reduction to ensure that the provisions of the ISA are implemented.

SECTION 8: TCC's request for authority to defer bad debt expense and include such expense in the next rate case is denied.

SECTION 9: TCC may not charge an account history fee to end-user's, REP's, or aggregators. Further, no service fee shall be charged to REPs or aggregators requesting a detailed billing and invoicing analysis.

SECTION 10: Cities rate case expenses are found to be reasonable and shall be reimbursed by the Company.

SECTION 11: The electric rate reduction herein approved shall be effective for bills rendered on or after approval of this Ordinance. TCC shall file tariffs reflecting the change of rates herein ordered within 10 days of passage of this Ordinance.

SECTION 12: The rates set forth in this Ordinance may be changed and amended by either the City or Company only as provided by law.

SECTION 13: It is hereby found and determined that said meeting at which this ordinance was passed was open to the public, as required by Texas law, and that advance public notice of the time, place and purpose of said meeting was given.

SECTION 14: This Ordinance shall be served on AEP Texas Central Company by U.S. Mail to the Company's authorized representative, Ron Ford 400 West 15th Street, Suite 610, Austin, Texas 78701.

SECTION 15: Nothing contained in this Ordinance shall be construed now or hereafter in limiting or modifying in any manner, the right and power of the City under law to regulate the rates and charges of AEP Texas Central Company.

SECTION 16: All ordinances, resolutions, or parts thereof, in conflict with this Ordinance are repealed to the extent of such conflict.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS

_____ DAY OF _____, 2004.

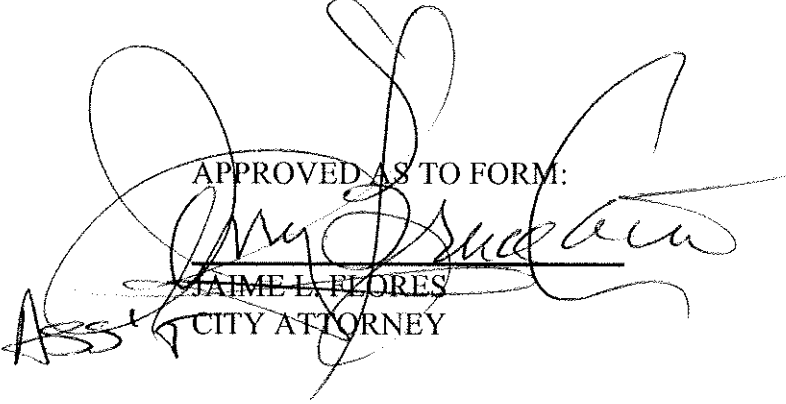
ELIZABETH G. FLORES,
MAYOR

ATTEST:

GUSTAVO GUEVARA, JR.,
CITY SECRETARY

APPROVED AS TO FORM:

JAIME L. FLORES
CITY ATTORNEY



COUNCIL COMMUNICATION

DATE: 3-8-04	SUBJECT: FINAL READING OF ORDINANCE NO. 2004-O-053 Approving an amendment to Ordinance No. 2003-O-247 dated October 6, 2003, hereby deleting the public sale of Tract B to Dr. Ricardo G. Cigarroa, L.P.; providing for an effective date.																																		
INITIATED BY: Cynthia Collazo Assistant City Manager			STAFF SOURCE: Jose L. Flores Airport Director																																
PREVIOUS ACTION: On March 1, 2004, Ordinance was introduced by City Council, and Staff was instructed to proceed.																																			
BACKGROUND: Bid Tabulation: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 15%;">Tract</th> <th style="width: 20%;">Minimum Bid Required</th> <th style="width: 15%;">Notzon Real Estate</th> <th style="width: 15%;">Dr. Ricardo Cigarroa</th> <th style="width: 15%;">Dr. Amando Garza III</th> <th style="width: 20%;">Gateway Community Health Center</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>\$1,149,657.00</td> <td></td> <td>\$1,200,753.00</td> <td></td> <td>\$1,150,657.00</td> </tr> <tr> <td>B</td> <td>\$1,724,323.00</td> <td></td> <td>\$1,724,323.00</td> <td></td> <td></td> </tr> <tr> <td>C</td> <td>\$1,077,953.00</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>D</td> <td>\$ 455,500.00</td> <td>\$230,000</td> <td></td> <td>\$475,001.00</td> <td></td> </tr> </tbody> </table>						Tract	Minimum Bid Required	Notzon Real Estate	Dr. Ricardo Cigarroa	Dr. Amando Garza III	Gateway Community Health Center	A	\$1,149,657.00		\$1,200,753.00		\$1,150,657.00	B	\$1,724,323.00		\$1,724,323.00			C	\$1,077,953.00					D	\$ 455,500.00	\$230,000		\$475,001.00	
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<p>The Minimum Bid Required for each tract was determined by an Appraisal. There were no bidders for Tract C.</p> <p>In regards to Tract "B" - Bidder is required, at its expense, to demolish and remove the existing building situated on the property, including any asbestos materials contained therein. And an environmental inspection and report satisfactory to Bidder within Bidder's absolute discretion shall be completed, by a firm of Bidder's choosing.</p> <p>The Bid Specification clearly states that the subject property Tract "B" is being sold in "as is" condition. Thus the responsibility and cost to demolish the building rests with the buyer. Bidder acknowledged that demolition of the building is his responsibility. However, on January 7, 2004, Bidder gave notice to City that it elected to terminate the agreement to purchase Tract B from City. It is Staff's position that Dr. Ricardo Cigarroa, Bidder, is in default of the City's bid specifications and forfeits its deposit to the City and all rights held under the bid. The bid deposit for Tract B is \$43,100.00.</p>																																			
FINANCIAL: Airport Revenue Account – Sale of Land 242-0000-374-1000 \$3,400,077.00.																																			
COMMITTEE RECOMMENDATION:			STAFF RECOMMENDATION: Approval of this ordinance.																																

ORDINANCE NO. 2004-O-053

APPROVING AN AMENDMENT TO ORDINANCE NO. 2003-O-247 DATED OCTOBER 6, 2003, HEREBY DELETING THE PUBLIC SALE OF TRACT B TO DR. RICARDO G. CIGARROA, L.P.; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Laredo on August 18, 2003 approved a motion authorizing the public sale of four tracts of non-aeronautical use land located at the Laredo International Airport at their appraised fair market value being Tracts "A" consisting of approximately 3.91 acres, Tract "B" consisting of approximately 5.46 acres, Tract "c" consisting of approximately 3.90714 acres and Tract "D" consisting of approximately 1.6087 acres, and

WHEREAS, on September 10, 2003 bids were received, opened and read in public on three of the four tracts, and

WHEREAS, Dr. Ricardo G. Cigarroa, LP is the successful bidder meeting all bid specifications regarding Tract "A" consisting of approximately 3.91 acres and bidding \$ 1,200,753.00 for said Tract "A", and

WHEREAS, Ordinance No. 2003-O-247 is amended in order to delete the public sale of Tract B and authorize the City Manager to Re-bid Tract B consisting of approximately 5.46 acres for the minimum bid required in the amount of \$1,724,323.00, and

~~WHEREAS, Dr. Ricardo G. Cigarroa, LP is the successful bidder meeting all bid specifications regarding Tract "B" consisting of approximately 5.46 acres and bidding \$ 1,724,323.00 for said Tract "B", and~~

WHEREAS, Dr. Amando Garza, III, A Joint Venture, is the successful bidder meeting all bid specifications regarding Tract "D" consisting of approximately 1.6087 acres and bidding \$ 475,001.00 for said Tract "D",

WHEREAS, the Airport Director recommends that the City Council approve the proposed amendment to Ordinance No. 2003-O-247 dated November 6, 2003, as being in the best interest of the City and the Laredo International Airport, and

WHEREAS, the City Council of the City of Laredo is of the same opinion.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAREDO THAT:

Section 1: The City Manager be and is hereby authorized to execute a sale and convey the property interest and re-bid Tract "B" as follows:

- Tract "A" to Dr. Ricardo G. Cigarroa, LP (Bidder will be forming a Family Limited Partnership prior to closing and will take title in that entity) in the amount of \$1,200,753.00,
- Re-Bid Tract "B" consisting of approximately 5.36 acres for the minimum bid required in the amount of \$1,724,323.00 ~~Tract "B" to Dr. Ricardo G. Cigarroa, LP (Bidder will be forming a Family Limited Partnership prior to closing and will take title in that entity) in the amount of \$1,724,323.00,~~
- Tract "D" to Dr. Amando Garza, III, (Bidder will be forming a Joint Venture prior to closing and will take title in that entity) in the amount of \$475,001.00.

Section 2: This Ordinance shall become effective upon passage hereof.

PASSED BY THE CITY COUNCIL AND APROVED BY THE MAYOR ON THIS THE ____ DAY OF _____, 2004.

ELIZABETH G. FLORES
MAYOR

ATTEST:

GUSTAVO GUEVARA, JR.
CITY SECRETARY

APPROVED AS TO FORM:
JAIME L. FLORES
CITY ATTORNEY

BY: Valeria M. Acevedo
VALERIA M. ACEVEDO
ASSISTANT CITY ATTORNEY

COUNCIL COMMUNICATION

DATE: 03/08/04	SUBJECT: Motion(s) Authorizing the award of a contract in the amount of \$190,300 to Wilbur Smith Associates for the development of the Laredo Metropolitan Transportation Plan Update. Funding for the project is available through the Metropolitan Planning Organization (MPO) account using federal planning grant (PL112) funds.	
INITIATED BY: Cynthia Collazo, Assistant City Manager		STAFF SOURCE: Keith Selman, Director of Planning
PREVIOUS COUNCIL ACTION: The Laredo City Council authorized the issuance of a request for proposals on December 8, 2003 and authorized staff to enter negotiations with the selected consultant on February 17, 2004.		
BACKGROUND: The Unified Planning Work Program describes and schedules work to be undertaken by the LUTS during the 2003-2004 fiscal period. The development of the Laredo Metropolitan Transportation Plan Update is an objective of the 2004 Unified Planning Work Program, adopted by the Laredo Urban Transportation Study in Subtask 4.1. The objectives of the study are: <ul style="list-style-type: none">• Review how the present plan addresses major elements of transportation planning in conformance to state and federal regulations and provide recommendations for additions or revisions.• Provide a transportation plan which covers a 25 year period and identifies facilities (including but not limited to major roadways, transit, and inter modal facilities) that should function as an integrated regional system. The Laredo Travel Demand Model shall be used by the consultant as a tool to help identify transportation projects.• Provide a transportation plan which includes both short- and long-term actions that develop and maintain an integrated, inter modal transportation system that is accessible and that efficiently moves people and goods.• Provide for the development of a transportation plan with public involvement and coordination with transportation providers including regional airports, rail-freight operators, commercial transport associations, and others within the area.• Develop a socioeconomic report for a 2003 base year and forecast through 2035. The report shall update and expand socioeconomic and demographic factors used in long-range transportation planning, including but not limited to population, housing, income, employment, etc.• Coordinate with all agencies involved in the development of the plan, including but not limited to the City of Laredo, County of Webb, Texas Department of Transportation (TxDOT) District Office, TxDOT Transportation Planning & Programming Division, Federal Highway Administration, Federal Transit Administration, etc.		
FINANCIAL IMPACT: Funding is available through MPO account no. 101-2112-513-5526 using federal planning grant (PL112) funds.		
COMMITTEE RECOMMENDATION: The MPO Technical Committee recommends approval.		STAFF RECOMMENDATION: Staff recommends approval.